

Message Text

CONFIDENTIAL

PAGE 01 BONN 00486 131258Z

43

ACTION EUR-12

INFO OCT-01 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00 DOTE-00

EB-07 INR-07 NSAE-00 RSC-01 FAA-00 L-02 PA-01 PRS-01

USIA-06 SS-15 NSC-05 SP-02 /062 W

----- 009414

P R 131241Z JAN 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 7205

INFO USMISSION USBERLIN

AMEMBASSY LONDON

AMEMBASSY PARIS

USMISSION NATO BRUSSELS

C O N F I D E N T I A L BONN 00486

E. O. 11652: GDS

TAGS: EAIR, WB, GW, FR, UK, US

SUBJECT: IGS FARE INCREASE

REF: (A) USBER 25; (B) BONN 267; (C) STATE 1320

1. IN VIEW OF WIDESPREAD MEDIA AND OFFICIAL ATTENTION BEING GIVEN IGS FARE AND SUBSIDY LEVELS, EMBASSY AND UK CAAS AGREED THAT THE FRENCH SHOULD BE BROUGHT FULLY INTO THE PICTURE AT THE EARLIEST OPPORTUNITY. ACCORDINGLY, AT A JANUARY 10 MEETING US/UK CAAS BRIEFED ACTING FRENCH CAA (DE BOISSIEU) RE CURRENT STATUS OF PENDING FARE INCREASE APPLICATIONS AND OUR THINKING REGARDING A FOLLOW-ON APPROACH TO THE FRG ON INCREASING IGS SUBSIDIES. WE STRESSED THAT THE INTRODUCTION OF THE 7.9 PERCENT INCREASE WOULD BE THE FIRST ORDER OF BUSINESS, THAT WE WOULD RESIST ANY ATTEMPT TO LINK THE SUBSIDY QUESTION TO THE FARE INCREASE AND THAT THE US AND UK WOULD HOPE FOR FRENCH POLITICAL SUPPORT WHEN THE GERMANS WERE APPROACHED ON THE LATTER. AS IN PREVIOUS EXERCISES, WE EXPECTED THAT THE US AND UK WOULD PREPARE THE DETAILED FARE INCREASE PRESENTA-
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BONN 00486 131258Z

TION FOR THE BCATAG. IT WAS MADE CLEAR THAT THE UK

WOULD BEAR RESPONSIBILITY FOR DEVELOPING ECONOMIC ARGUMENTATION ON THE NEED FOR HIGHER SUBSIDIES WHILE THE US AGREED TO LEND POLITICAL SUPPORT BASED ON THE ASSUMPTION THAT A CONTINUED HIGH-LEVEL OF PARTICIPATION BY BA WAS IN BERLIN'S BEST INTERESTS.

2. DE BOISSIEU SAID THAT IN KEEPING WITH LONG-STANDING FRENCH POLICY HE FELT CERTAIN THAT HE COULD PROMISE COMPLETE FRENCH POLITICAL SUPPORT ON ANY INITIATIVES THE US AND UK MIGHT TAKE TO IMPROVE THE ECONOMIC VIABILITY OF THE IGS. HE SAID HE WOULD REPORT OUR INTENTIONS AND LET US KNOW IF PARIS HAD ANY SPECIFIC VIEWS ON THE SUBSIDY APPROACH. AS WE WERE INFORMED EARLIER THE FRENCH WERE IN FULL AGREEMENT ON THE FARE INCREASE APPLICATIONS. DE BOISSIEU RELATED THAT DURING A RECENT LUNCHEON WITH THE FRENCH AMBASSADOR BERLIN SENATORSTOEBBEREMARKED THAT THERE WAS NO IGS PROBLEM BUT ONLY A BA PROBLEM. STOEGBE CONJECTURED THAT IT MIGHT BE POSSIBLE, THEREFORE, TO DO SOMETHING FOR BA WHICH WOULD NOT PROVIDE A WINDFALL FOR PAA. EMBASSY CAA SAID THAT THE US HAD NOT CONSIDERED THIS POSSIBILITY, AND THAT A DIFFERENTIATED FARE OR SUBSIDY STRUCTURE WOULD BE TOTALLY OUT OF THE QUESTION, SINCE IT WOULD PLACE PAA AT A SERIOUS COMPETITIVE DISADVANTAGE. GROVES AND DE BOISSIEU WERE IN COMPLETE AGREEMENT THAT THE THREE CARRIERS SHOULD BE AFFORDED EQUAL TREATMENT.

3. IN A RELATED DEVELOPMENT, A BERLIN CDU DEPUTY SUBMITTED A WRITTEN PARLIMENTARY QUESTION (ANFRAGE) TO THE BUNDESTAG ON JANUARY 9, ASKING WHETHER THE FRG IS PREPARED TO CONSIDER INCREASING ITS IGS SUBSIDY AS A MEANS OF ABSORBING THE PENDING FARE INCREASE. THE BRITISH EMBASSY HAS RAISED THE POSSIBILITY OF SUGGESTING TO THE FONOFF THAT THE GOVERNMENT'S RESPONSE NOT PRECLUDE THE FUTURE POSSIBILITY OF INCREASED SUBSIDIES. WE INCLINE TO THE VIEW THAT IT WOULD BE ILL-ADVISED FOR THE ALLIES TO RAISE THE QUESTION WITH THE FRG UNLESS AND UNTIL OUR VIEWS ARE SOUGHT BY THE FONOFF--AND WE

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BONN 00486 131258Z

HAVE SO INFORMED THE BRITISH. ON REFLECTION, THE UK CAA AND BONN GROUP REP HAVE AGREED.

CASH

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIR FARES, AIR SCHEDULES, AIR ROUTES, TRANSPORTATION SUBSIDIES
Control Number: n/a
Copy: SINGLE
Draft Date: 13 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BONN00486
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750012-0478
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750158/aaaabyvc.tel
Line Count: 110
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 USBER 25, 75 BONN 267, 75 STATE 1320
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 16 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 APR 2003 by MartinML>; APPROVED <17 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: IGS FARE INCREASE
TAGS: EAIR, WB, GE, FR, UK, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006